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TAGS: [PREL](#) [PTER](#) [PHUM](#) [EUN](#) [KNNP](#) [SNAR](#) [IR](#) [IT](#)
SUBJECT: IRAN: TEHRAN-BASED UN OFFICIAL SEES INCREASING
THREAT

REF: A. UNVIE 479

[1](#)B. UNVIE 545
[1](#)C. ROME 1967

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Classified By: Pol M/C David D. Pearce for reasons 1.4 (b) and (d)

Summary

[1](#)1. (C/NF) An Italian UN official based in Tehran says Iran is using all means at its disposal -- from support for terrorist groups to its own counter-narcotics campaign -- to boost its influence in the region. Accustomed to years of economic sanctions and international isolation, key Iranian power centers, like the Revolutionary Guard, profit from unconventional sources of income, like smuggling, and cultivate relationships with terrorist groups in a bid to strengthen their hand in the Middle East power balance. End summary.

Odd Turns in Iran's Counter-Narcotics Effort

[1](#)2. (C/NF) Following up on ref A, Political Minister Counselor and PolOffs met with UN Office on Drugs and Crime (UNODC) Tehran-based Field Representative Roberto Arbitrio (strictly protect), on June 27. Arbitrio reiterated much of the information provided in reftel, stressing that, from his experience and contacts, he felt the Iranian regime was clearly headed in the wrong direction and that, even without nuclear weapons, it posed a threat to regional stability. Arbitrio believed Iran was using its role in combatting drug trafficking, as well as its support for terrorist groups, and Revolutionary Guard involvement in illicit smuggling activities, to foment regional instability and increase its leverage in the region.

[1](#)3. (C/NF) He noted that for many years one of the few bright spots about the Iranian regime had been its genuine commitment to combat narcotics trafficking. Now, however, the Iranian regime was even threatening to turn this in a negative direction. Iran had recently sought UN support for a proposed \$500 million counternarcotics program, which Arbitrio dismissed as completely unrealistic, given that the entire worldwide budget of UNODC was only about \$150 million. He said UNODC ran a modest (about \$23 million), but effective program in Iran. Furthermore, Arbitrio said, echoing ref A report, the Iranian proposal was riddled with

requests for dual-use items. What he found particularly ominous was that the Iranian Director of Drug Control had suggested that, if Iran's proposal to get the needed resources were to founder, then it might have to reconsider the scope of its own efforts against the traffickers.

Nothing Good Happens If They Stand Down

¶4. (C/NF) Arbitrio saw significant implications if Iran stood down on its counter-narcotics efforts. Less pressure on drug trafficking could provide increased channels for illicit funds to terrorists and Iranian-supported groups in Afghanistan and Iraq. The drug trail, he said, ran from Afghanistan through Iran to southern Iraq, where there was increased refining activity, and from there south to the Gulf and west to Syria. He was particularly concerned at the prospect of Iran tacitly creating the conditions for increased trafficking through Iraq to Syria, and how this could play into funding and support for insurgents in Iraq.

¶5. (C/NF) He said Iran already faced growing domestic drug abuse -- the number of users had doubled since 1999 to about four million, or five to six percent of the population, according to a 2004 study conducted by the Iranian Health Ministry and UNODC. Arbitrio said the Iranian government had quashed the results and he had nearly been expelled from Iran for divulging the figures during an interview.

Theofascists And Their Lucre

¶6. (C/NF) Arbitrio felt President Ahmadinejad was fifth or lower in Iran's power structure, describing him as a (not so smart) militant, a second-generation revolutionary whose real point of reference was the Iraq-Iran war, and who was considered by Iran's clerics to be "expendable equipment." Key religious leaders in Qom have more real influence.

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Supreme Leader Khamenei, whose record in office will be under official scrutiny in a few months and who faces possible replacement, is playing things safe. Arbitrio (who is originally from Naples) likened former president Ali Hashemi Rafsanjani to a mafia leader who knows he himself is corrupt but, as a pragmatist, was looking to create a licit empire for the next generation.

¶7. (C/NF) A chief center of power, according to Arbitrio, was the Pasdaran (Revolutionary Guard) militants, also deeply influenced by the war with Iraq, often rivals of the clerics, but very religious, populist, and nationalistic. Ahmadinejad was their man. Having grown accustomed to living with sanctions, the Pasdaran had become experts at smuggling goods, especially through three ports on the Gulf of Oman (between Bandar Abbas and the Pakistani border) that Arbitrio said "were not on any maps." He said the Pasdaran controlled the smuggling traffic from the Gulf through these ports to Pakistan. Arbitrio believed the younger Ahmadinejad generation of religio-populist militants was opposed to any liberalization of the economy, including WTO membership, that would threaten the lucrative underground trade from which they profited. Indeed, Arbitrio noted, one of Ahmadinejad's first appointments after winning the Presidency was to appoint the head of Iran's anti-smuggling unit in the Interior Ministry, even before naming a minister. Using a term he said had been coined by the Italian Ambassador in Tehran, the UN official described the Iranian regime as one of "theofascism" in which all unpopular views were silenced.

\$250 Million for Their Trouble

¶8. (C/NF) Arbitrio felt Iran was bolstering its ties to, and financial support for, terrorist organizations in order to strengthen its hand throughout the region. Ahmadinejad, he

said, was the only international leader who, in the past few months, had met with the heads of Hezbollah and Hamas, as well as Iraqi Shi'ite leader Muqtadir al-Sadr, and Afghan warlord Ismail Khan. Citing Iranian parliamentary sources, he said Iran had spent \$250 million on these groups in the last few months alone, five times more than press reports had suggested. He said the regime was also in contact with Afghan warlord Gulbuddin Hekmatyar. It had increased the number of Revolutionary Guards in regions bordering Iran in Afghanistan in recent months and -- not coincidentally, in his view -- the security situation there has worsened. To illustrate the strength of these connections, he pointed out that Ismail Khan, a minister in Afghan President Karzai's government, had visited Tehran without the knowledge of the Afghan Ambassador.

¶9. (C/NF) Arbitrio flagged the increasing Chinese presence in Iran as something to watch, since Tehran has an interest in Chinese political support and China has an interest in Iranian energy resources.

Comment

¶10. (S/NF) Arbitrio seemed earnest, and knowledgeable. His pre-UNODC work included a stint as a counter-terrorism researcher at a military think tank in Italy. He had been living in Tehran for about two years and stressed he was speaking in a purely personal capacity, without the knowledge of his home office. He said his contacts include Iranian parliamentarians and police. He knows the Italian Ambassador in Tehran, Roberto Toscano, well, but has not shared his concerns with Toscano or any other Italian government official because he did not think the GOI was very interested in his views. He felt talking with the U.S. had lifted a "psychological" weight from his shoulders; he said he did not want to be a part, even indirectly, of anything that might help the Tehran regime advance a patently nefarious regional agenda.

¶11. (S/NF) Ref B suggests that UNODC still evaluates Iran as genuinely committed to counter-narcotics efforts. And, per Ref C, Iranian nuclear negotiator Ali Larijani told Italian leaders Iran considered the drug traffic from Afghanistan a major issue. Larijani proposed that a consortium of countries go directly to the producers and buy up all of the opium crop for use in medicine, chemicals, and pharmaceuticals. So, as with the \$500 million proposal to the UN, it suggests Tehran officials are thinking big about the drug problem, whether for sinister purposes or out of frustration at the worsening problem. With Iran, of course,

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multiple readings are always possible. And oftentimes, they are all true. End Comment.
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